

THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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Washington, D. C.

AUGUST 1, 1928

Volume 12, No. 8

CROPS PROGRESSING—PRICES SLIGHTLY LOWER

The crops generally have made rapid progress during the past month. Growth has been furthered by the frequent rains throughout the eastern half of the country, although the rains have interfered somewhat with haying and wheat harvest. The July estimates of acreage indicated some increase in the total crop area over last year. However, the composite condition of the principal crops on July 1 was not quite up to average.

Haying is now in full swing. Grass was late, along with many other crops, and at one time it looked as though the East would be very short of hay. However, the rains of June and July changed that situation until the present indications are for a total hay crop approaching the average, though it will be far short of last year's record crop. Ordinary mixed hay has been for some time so low in price that it has practically ceased to have any status as a cash crop.

Wheat harvest is slowly moving up into the North, having been delayed by bad weather. In the Great Plains territory winter wheat is threshing out to better yields than expected in many sections, though some of the grain is reported as rather high in moisture and low in protein content. Stands were thin in central and eastern sections, some areas reporting that there would not be enough grain threshed to furnish this fall's seed.

Spring wheat is headed and fairly well filled except where it has been hurt by drought, as in sections of South Dakota and southwestern Minnesota. The July reports indicated a total spring wheat crop about average but much smaller than last year.

Corn is tasseled out and silking over most of the Corn Belt. Present prospects for the crop are much more favorable than they were a year ago. Should an average or above average corn crop be harvested, its effect on the hog situation would probably be to make the corn-hog price ratio favorable to feeding after October, with a consequent late movement of the spring pig crop. Whether such price ratio may also stimulate increased pig production next spring will be a matter for producers to decide. The prospect is favorable for hog raisers if production is not again overdone.

The tendency of crop prices has been downward lately, including corn, wheat, cotton, and potatoes. However, the general price position of farm products as a whole is still the most favorable in eight years. This bureau has recently compiled a new index of prices actually paid by farmers for the things they buy. Using this new retail index as an exchange basis, the purchasing power of farm products stood at 95 in May and 93 in June, the five pre-war years representing par or 100. This is the highest level of purchasing power since 1920.

KEY REGIONS AT A GLANCE

The East.—Much rain last month made the crops grow, but interfered with haying and wheat harvest and did some damage to grain in the shock. Hay crop better than expected, especially new meadows. Early corn and potatoes doing very well, but there is considerable backward corn resulting from the late spring and many fields are very weedy as result of rains and impossible cultivation. Cows still high priced and dairy situation considered favorable, although there is some irritation over various local dairy issues. Fruit prospect better than last year.

The South.—Too much rain in the eastern Cotton Belt has delayed cultivation, hindered fruiting of cotton and tobacco harvest, has caused some rotting of peaches and melons, and on some lowlands has even washed out the crops. Cotton, corn, and other field crops have made fairly good growth, though they are late and many fields are very weedy. Cotton retarded by drought in west Texas, but recent showers in west have helped crops somewhat. Cotton picking under way in southern Texas. Rice, sorghums, corn, and minor crops have mostly made rapid growth the past month, but everything shows effect of a backward season.

Corn Belt.—Corn laid by now and most of it is tasseled and silked. Made rapid growth last month and is a much more promising crop than last year, except in certain lowland areas and in some eastern sections where lateness or too much rain have interfered. Oat harvest well along with a good crop. Wheat threshing in progress. Haying also well along where not hindered by rains. Corn-hog situation thought to be shaping toward favorable condition for feeders by next fall.

Wheat Belt.—Harvest of winter wheat proceeding up into the North and cutting of spring wheat will be under way presently. Latter said to be well filled over much of the North, but some areas in South Dakota and Minnesota have ripened prematurely because of drought. There has also been some local damage from storms. Winter wheat harvest retarded by rains, with occasional reports of injury to grain. Fairly heavy movement of grain to market from Southwest, though somewhat checked by wet weather and by downward tendency of market.

Range country.—Conditions good throughout the North, except for occasional hail damage. Summer ranges good; livestock situation favorable, including calves and lambs. Harvesting wheat and oats and second cutting of alfalfa. In the South drought is still serious. Ranges are poor in parts of New Mexico and Arizona, although livestock is mostly said to be in fairly good condition. Some increase in lamb crop reported over last year, but both sheepmen and cattlemen are mostly optimistic.

Pacific coast.—Generally favorable crop progress in the North, although wheat and dry-land crops have suffered from drought and hot winds in eastern Oregon and Washington. Haying and grain harvest well along. California reports mostly favorable on crop progress. Getting dry in interior, causing rapid ripening of fruit. Citrus fruit condition good.

THE TREND OF CROP PRODUCTION

	1913 produc- tion	5-year av. 1923- 1927 pro- duction	1927 produc- tion	1928 July 1 forecast
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Winter wheat.....bushels.....	523	549	553	544
Spring wheat.....do.....	240	259	319	257
All wheat.....do.....	763	808	873	800
Corn.....do.....	2, 447	2, 752	2, 774	2, 736
Oats.....do.....	1, 122	1, 348	1, 184	1, 320
Barley.....do.....		209	264	303
Flaxseed.....do.....	18	23	27	22
Potatoes, white.....do.....	332	384	407	444
Sweet potatoes.....do.....	59	78	94	75
Tobacco.....pounds.....	954	1, 336	1, 196	1, 312
Peanuts.....do.....		706	807	803
Rice.....bushels.....	25. 7	36. 3	40. 1	35. 4
Hay, all.....tons.....	64	93	107	84
Apples, total.....bushels.....	145	183	123	178
Apples, commercial.....barrels.....		32	26	33
Peaches.....bushels.....		52	46	66
Sugar beets.....tons.....		7. 5	7. 8	6. 8
Beans, dry.....bushels.....		17	17	17

Reports from farmers in all parts of the country as of July 1 indicate an upward tendency in crop acreages this season and some shifting of acreage away from hay and toward crops which have given larger returns per acre. From indications of that date the harvested acreage of the principal crops is expected to show an increase of about 2 per cent over the acreage harvested last season. In round figures, the most important increases are: Corn, 4 per cent; barley, 30 per cent; cotton, 11 per cent; potatoes, 9 per cent; tobacco, 18 per cent; beans, 7 per cent; and peanuts, 5 per cent. The most important decreases are: Hay, 4 per cent; wheat, 1.5 per cent; rye, 4 per cent; sweet potatoes, 8 per cent; rice, 5 per cent; and flax, 3 per cent.

The increase in total crop acreage is most marked in some of the semiarid sections and in those parts of the Mississippi and Ohio Valleys which suffered from overflow or from excessively wet conditions during the spring of 1927. In other sections the increases reflect chiefly the generally favorable weather for planting, the somewhat better prices for farm products, and the ample supply of farm labor. If the increases that are now in prospect materialize, the harvested acreage will be the largest since 1919.

Although the production of most crops is still largely dependent on the weather between now and harvest, there are indications that the increase in acreage compared with last year may be more than offset by lower yields per acre. The composite condition of the 35 principal crops on July 1 was 5.8 per cent below the average July 1 condition of these crops during the last 10 years.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

Actual prices received by producers at local farm markets as reported to the division of crop and livestock estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-year average, August, 1909- July, 1914	June average, 1910- 1914	June, 1927	May, 1928	June, 1928
Cotton, per lb.....cents..	12. 4	12. 7	14. 8	20. 1	19. 7
Corn, per bu.....do.....	64. 2	68. 4	88. 9	102. 5	102. 2
Wheat, per bu.....do.....	88. 4	89. 0	130. 1	144. 3	132. 0
Hay, per ton.....dollars..	11. 87	12. 16	13. 10	10. 70	11. 01
Potatoes, per bu.....cents..	69. 7	71. 8	191. 0	103. 3	83. 6
Oats, per bu.....do.....	39. 9	41. 8	48. 0	62. 0	61. 4
Beef cattle, per 100 lbs..dollars..	5. 22	5. 44	7. 08	9. 09	9. 10
Hogs, per 100 lbs.....do.....	7. 23	7. 16	8. 40	8. 82	8. 70
Eggs, per doz.....cents..	21. 5	16. 7	17. 8	24. 2	23. 9
Butter, per lb.....do.....	25. 5	23. 2	40. 4	42. 9	42. 2
Butterfat, per lb.....do.....			40. 8	44. 4	43. 5
Wool, per lb.....do.....	17. 7	17. 5	30. 2	37. 0	38. 7
Veal calves, per 100 lbs..dollars..	6. 75	6. 77	9. 46	11. 18	11. 56
Lambs, per 100 lbs.....do.....	5. 91	6. 30	11. 95	13. 03	13. 18
Horses, each.....do.....	142. 00	145. 00	80. 00	86. 00	86. 00

The farm price of hogs declined slightly from May 15 to June 15, the June 15 farm price being about 1 per cent lower than that for May. The price decline was largely seasonal. Receipts of hogs at 7 principal markets were about 12 per cent larger during the 4 weeks ending June 23 than for a similar period ending May 25. Storage stocks of pork and lard on June 1 were still 17 and 63 per cent larger, respectively, than the five-year average for that date. These factors have probably been most influential in producing the decline in the farm price of hogs since May 15. The corn-hog ratio declined 0.1 point from May 15 to June 15.

The farm price of lambs continued to advance from May 15 to June 15. However, the price increase during the past month has been slight, amounting to only about 1 per cent. Sheep prices dropped about 3 per cent. Both price movements were typically seasonal in nature.

The farm price of wheat was about 9 per cent lower on June 15 than for the same date a month previous. In a large measure this drop in the farm price has been due to the improvement in the condition of the 1928 winter wheat crop since May 1. In addition, private reports indicating increases in acreage in Canada and Australia and favorable conditions for a good Canadian spring wheat crop have had a depressing effect on the farm price.

The farm price of potatoes suffered an unusually sharp decline of 19 per cent from May 15 to June 15. This decline in the farm price may be accounted for largely by the exceptionally heavy movement of old potatoes and the marked increase in shipments from the first early States which flooded the market during the latter half of May and the first two weeks in June. Car-lot shipments of old potatoes from 19 surplus States were 130 per cent larger from May 13 to June 16 than for the corresponding period a year ago.

PRICE INDEXES FOR JUNE, 1928

Farm-products figures from this bureau; commodity groups from Bureau of Labor Statistics (latter shown to nearest whole number). Shows year ago and latest available month.

FARM PRODUCTS

[Prices at the farm; August, 1909-July, 1914=100]

	June, 1927	May, 1928	June, 1928	Month's trend
Cotton.....	119	162	159	Lower.
Corn.....	138	160	159	Do.
Wheat.....	147	163	149	Do.
Hay.....	110	90	93	Higher.
Potatoes.....	274	148	120	Lower.
Beef cattle.....	136	175	175	Unchanged.
Hogs.....	116	122	120	Lower.
Eggs.....	83	113	111	Do.
Butter.....	158	168	165	Do.
Wool.....	170	208	217	Higher.

COMMODITY GROUPS

[Wholesale prices; 1926=100]

	June, 1927	May, 1928	June, 1928	Month's trend
Farm products.....	96	110	107	Lower.
Foods.....	94	101	100	Do.
Hides and leather products.....	107	126	124	Do.
Textile products.....	94	97	96	Do.
Fuel and lighting.....	84	82	82	Unchanged.
Metals and metal products.....	98	99	99	Do.
Building materials.....	95	94	94	Do.
Chemicals and drugs.....	96	95	95	Do.
House-furnishing goods.....	98	98	97	Lower.
All commodities.....	94	99	98	Do.

GENERAL TREND OF PRICES AND WAGES

[1910-1914=100]

Year and month	Whole-sale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in— ³			Farm wages	Taxes ⁴
			Living	Production	Living production		
1910.....	103	-----	98	98	98	97	-----
1911.....	95	-----	100	103	101	97	-----
1912.....	101	-----	101	98	100	101	-----
1913.....	102	-----	100	102	100	104	-----
1914.....	100	⁵ 100	102	99	101	101	100
1915.....	103	101	107	103	106	102	102
1916.....	129	114	125	121	123	112	104
1917.....	180	129	148	152	150	140	106
1918.....	198	160	180	176	178	176	118
1919.....	210	185	214	192	205	206	130
1920.....	230	222	227	175	206	239	155
1921.....	150	203	165	142	156	150	217
1922.....	152	197	160	140	152	146	232
1923.....	156	214	161	142	153	166	246
1924.....	152	218	162	143	154	166	249
1925.....	162	223	165	149	159	168	250
1926.....	154	229	164	144	156	171	253
1927.....	149	231	161	144	154	170	-----
1927							
January.....	150	232	-----	-----	-----	162	-----
February.....	149	231	-----	-----	-----	-----	-----
March.....	148	234	161	143	154	-----	-----
April.....	147	230	-----	-----	-----	166	-----
May.....	147	230	-----	-----	-----	-----	-----
June.....	146	230	161	145	155	-----	-----
July.....	147	228	-----	-----	-----	172	-----
August.....	149	231	-----	-----	-----	-----	-----
September.....	152	233	161	145	154	-----	-----
October.....	153	231	-----	-----	-----	175	-----
November.....	152	226	-----	-----	-----	-----	-----
December.....	152	233	161	142	153	-----	-----
1928							
January.....	151	230	-----	-----	-----	161	-----
February.....	151	230	-----	-----	-----	-----	-----
March.....	150	233	162	145	155	-----	-----
April.....	152	227	-----	-----	-----	166	-----
May.....	154	230	-----	-----	-----	-----	-----
June.....	153	232	162	148	156	-----	-----

¹ Bureau of Labor Statistics. Index for 1928 obtained by multiplying new series by 156.6.

² Average weekly earnings, New York State factories.

³ For explanation see page 15 of this issue and mimeographed statement on index of prices received by farmers.

⁴ Index of estimate of total taxes paid on all farm property. 1914=100.

⁵ June.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base; August, 1909-July, 1914=100]

Year and month	Index numbers of farm prices							Wholesale prices of nonagricultural commodities ¹	Relative purchasing power of farm products in exchange for—	
	Grains	Fruits and vegetables	Meat animals	Dairy products	Poultry products	Cotton and cotton-seed	All groups 30 items		Wholesale prices of nonagricultural commodities	Retail prices paid by farmers ²
1910.....	104	91	103	100	104	113	103	102	101	106
1911.....	96	106	87	97	91	101	95	96	99	93
1912.....	106	110	95	103	101	87	99	100	99	99
1913.....	92	92	108	100	101	97	100	105	95	99
1914.....	103	100	112	100	105	85	102	97	105	101
1915.....	120	83	104	98	103	78	100	101	99	95
1916.....	126	123	120	102	116	119	117	138	85	95
1917.....	217	202	173	125	157	187	176	182	97	118
1918.....	226	162	202	152	185	245	200	188	107	112
1919.....	231	189	206	173	206	247	209	199	105	102
1920.....	231	249	173	188	222	248	205	241	85	99
1921.....	112	148	108	148	161	101	116	167	69	75
1922.....	105	152	113	134	139	156	124	168	74	81
1923.....	114	136	106	148	145	216	135	171	79	88
1924.....	129	124	109	134	147	211	134	162	83	87
1925.....	156	160	139	137	161	177	147	165	89	92
1926.....	129	189	146	136	156	122	136	161	85	87
1927.....	128	155	139	138	141	128	131	152	86	85
June—										
1920.....	283	366	182	182	185	301	234	250	93	-----
1921.....	117	140	105	132	114	78	110	164	67	-----
1922.....	111	197	121	128	113	160	128	168	76	-----
1923.....	119	161	103	142	114	207	133	172	77	86
1924.....	116	146	105	126	115	219	130	159	82	85
1925.....	164	184	139	130	135	183	148	163	91	92
1926.....	130	216	154	128	138	132	139	160	87	89
1927.....	140	201	129	132	102	119	130	150	86	84
1928										
January....	125	144	138	145	177	152	137	150	91	89
February....	128	153	139	145	144	141	135	151	89	87
March.....	136	174	139	142	122	147	137	151	91	89
April.....	144	179	142	139	121	154	140	151	92	90
May.....	160	181	151	136	128	166	148	152	97	95
June.....	152	168	150	134	127	162	145	152	95	93

¹ This index supplied by Bureau of Labor Statistics to December, 1927. For subsequent months the index is derived from the new all-commodity index of the Bureau of Labor Statistics, 1926=100, by excluding farm products and feed products and converting the result to 1910-1914=100.

² For explanation see page 15 of this issue and mimeographed statement.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau.

Year and month	Receipts					
	Wheat	Corn	Hogs	Cattle	Sheep	Butter
Total—	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000 pounds</i>
1920-----	332, 314	210, 332	42, 121	22, 197	23, 538	402, 755
1921-----	435, 606	340, 908	41, 101	19, 787	24, 168	468, 150
1922-----	413, 106	378, 598	44, 068	23, 218	22, 364	526, 714
1923-----	386, 430	271, 858	55, 330	23, 211	22, 025	545, 380
1924-----	482, 007	278, 719	55, 414	23, 695	22, 201	587, 477
1925-----	346, 381	223, 604	43, 929	24, 067	22, 100	574, 489
1926-----	362, 876	234, 873	39, 772	23, 872	23, 868	572, 935
1927-----	455, 991	241, 245	41, 411	22, 763	23, 935	581, 592
June—						
1920-----	19, 458	24, 788	3, 709	1, 879	1, 640	57, 504
1921-----	28, 480	34, 463	3, 579	1, 580	1, 850	64, 905
1922-----	18, 402	35, 281	3, 776	1, 759	1, 700	78, 361
1923-----	18, 217	14, 610	4, 204	1, 629	1, 426	75, 970
1924-----	16, 877	17, 392	4, 296	1, 673	1, 550	77, 487
1925-----	20, 465	17, 381	3, 507	1, 746	1, 603	74, 172
1926-----	18, 505	23, 912	3, 143	1, 871	1, 913	75, 931
1927-----	18, 346	26, 361	3, 775	1, 732	1, 816	75, 756
1927						
July-----	52, 996	14, 724	3, 046	1, 547	1, 676	67, 282
August-----	78, 909	17, 023	3, 041	2, 065	2, 209	57, 446
September-----	79, 962	21, 259	2, 565	1, 988	2, 848	42, 234
October-----	71, 696	19, 132	3, 039	2, 635	3, 587	38, 301
November-----	42, 394	15, 924	3, 666	2, 346	1, 896	33, 607
December-----	23, 903	36, 777	4, 209	1, 691	1, 609	33, 687
1928						
January-----	22, 313	37, 116	5, 306	1, 771	1, 705	42, 271
February-----	21, 403	44, 453	5, 267	1, 516	1, 669	41, 140
March-----	24, 639	39, 520	4, 639	1, 465	1, 520	45, 748
April-----	17, 483	19, 724	3, 483	1, 684	1, 591	44, 721
May-----	24, 718	23, 289	3, 723	1, 799	1, 952	54, 427
June-----	13, 883	18, 345	3, 548	1, 558	1, 913	69, 650

The market movement of new wheat was lighter in June than in any June of recent years. Corn movement was similarly below the two previous years. Receipts of hogs fell off somewhat; cattle movement light; sheep and lamb receipts moderately heavy. Butter receipts slightly less than any recent June.

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by division of statistical research of this bureau.

Year and month	Wheat ¹ includ- ing flour	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard	Total ³ meats	Cotton ⁴ running bales
	1,000 bushels	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 bales
Total—						
1920.....	311, 601	467, 662	821, 922	612, 250	1, 043, 500	6, 111
1921.....	359, 021	515, 353	647, 680	868, 942	786, 280	6, 385
1922.....	235, 307	430, 908	631, 452	766, 950	733, 832	6, 015
1923.....	175, 190	474, 500	828, 890	1, 035, 382	958, 472	5, 224
1924.....	241, 454	546, 555	637, 980	944, 095	729, 832	6, 653
1925.....	138, 784	468, 471	467, 459	688, 829	547, 361	8, 362
1926.....	193, 861	478, 769	351, 591	698, 971	428, 613	8, 916
1927.....	222, 792	506, 751	237, 798	681, 303	302, 936	9, 198
June—						
1920.....	22, 150	28, 063	82, 008	45, 070	112, 135	238
1921.....	32, 486	47, 328	53, 549	67, 656	63, 084	489
1922.....	18, 387	30, 324	55, 620	57, 249	64, 124	478
1923.....	13, 042	49, 730	59, 472	64, 605	68, 797	213
1924.....	10, 492	52, 614	44, 144	59, 475	49, 772	218
1925.....	10, 922	27, 460	39, 690	59, 799	45, 398	211
1926.....	11, 210	30, 762	23, 861	56, 482	29, 681	339
1927.....	11, 515	32, 870	25, 326	66, 404	30, 902	468
1927						
July.....	12, 100	28, 229	24, 040	46, 972	30, 043	372
August.....	28, 347	27, 817	16, 841	50, 816	23, 123	322
September.....	39, 765	38, 394	23, 952	59, 736	30, 213	620
October.....	36, 347	47, 044	16, 322	50, 355	21, 418	1, 113
November.....	26, 961	54, 307	13, 744	49, 636	17, 982	984
December.....	12, 211	47, 644	19, 947	62, 855	24, 453	745
1928						
January.....	11, 809	42, 600	22, 212	70, 660	27, 102	712
February.....	6, 725	41, 355	22, 175	79, 872	27, 850	614
March.....	7, 492	45, 957	28, 016	79, 929	34, 666	596
April.....	7, 880	41, 218	22, 074	56, 554	28, 607	467
May.....	8, 793	38, 726	21, 711	55, 540	28, 148	578
June.....	8, 230	30, 278	23, 850	53, 436	29, 014	444

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Includes fresh, canned, and pickled beef; bacon, hams, and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

⁴ Excludes linters.

COLD-STORAGE SITUATION

[July 1 holdings (shows nearest million; i. e., 000,000 omitted)]

Commodity	5-year average	Year ago	Month ago	July 1, 1928
Creamery butter.....pounds..	76	90	16	69
American cheese.....do.....	47	50	37	54
Case eggs.....cases.....	¹ 9, 617	¹ 10, 565	¹ 8, 168	¹ 9, 998
Total poultry.....pounds..	46	50	44	38
Total beef.....do.....	54	44	37	32
Total pork.....do.....	793	844	919	914
Lard.....do.....	138	147	186	214
Lamb and mutton.....do.....	2	1	1	2
Total meats.....do.....	917	953	1, 023	1, 012

¹ Three figures omitted.

The into-storage movement of creamery butter continued during June with an increase in stocks of 53,391,000 pounds on hand July 1. A year ago the increase was 64,592,000 pounds. The situation shows an apparent shortage as against last year on July 1 of about 20,500,000 pounds. Holdings were also about 6,000,000 less than the five-year average for that date.

American cheese stocks were increased by 16,901,000 pounds, which compares with 14,173,000 pounds increase during June a year ago.

The apparent shortage in case eggs on June 1 was further reduced; but there were still 567,000 cases short of July 1, 1927. The increase in stocks to July 1 this year was 1,830,000 cases, or 22 per cent of the June 1 holdings. The in-movement a year ago was 1,603,000 cases, or an increase of 18 per cent over the June 1 stocks.

The seasonal out-movement of frozen poultry continued with a reduction of 5,690,000 pounds. This compares with a similar movement last year of 11,461,000. The wide variation here is apparently caused by the unusually light stocks on hand this season as compared with last when stocks were relatively high.

Stocks of frozen and cured beef were reduced by 5,000,000 to the lowest point on record for this period.

There were further reductions during the month in frozen and cured pork stocks. The out-movement amounted to slightly over 5,000,000 pounds. However, the excess over last year and the five-year average was 70,000,000 and nearly 121,000,000 pounds, respectively.

The condition of lard stocks is similar to that of pork, in that stocks were far in excess of the average. There were further accumulations during June, amounting to 28,392,000 pounds.

The situation with regard to cold-storage stocks has apparently undergone little change since June 1.

WM. BROXTON,
Cold-Storage Report Section, B. A. E.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	June, 1927	May, 1928	June, 1928	Month's trend
PRODUCTION				
Pig iron, daily (thousand tons).	103	106	103	Decrease.
Bituminous coal (million tons).	37	37	36	Do.
Steel ingots (thousand long tons).	3, 496	4, 203	3, 743	Do.
CONSUMPTION				
Cotton, by mills (thousand bales).	660	578	511	Do.
Unfilled orders, Steel Corporation (thousand tons).	3, 053	3, 417	3, 637	Increase.
Building contracts in 27 Northeastern States (million dollars).	561	592	573	Decrease.
Hogs slaughtered (thousands).	2, 522	2, 420	2, 269	Do.
Cattle slaughtered (thousands).	1, 112	1, 120	963	Do.
Sheep slaughtered (thousands).	963	951	1, 020	Increase.
MOVEMENTS				
Bank clearings (New York) (billion dollars).	28	37	35	Decrease.
Carloadings (thousands)-----	4, 996	4, 006	4, 923	Increase.
Mail-order sales (million dollars).	36	40	45	Do.
Employees, New York State factories (thousands).	479	454	455	Do.
Average price 25 industrial stocks (dollars).	211	267	252	Decrease.
Interest rate (4-6 months' paper, New York) (per cent).	4. 13	4. 55	4. 73	Increase.
Retail food price index (Department of Labor). ¹	158	154	153	Lower.
Wholesale price index (Department of Labor). ²	94	99	98	Do.

¹ 1913 = 100.² 1926 = 100.

SUMMARY OF DAIRY STATISTICS

[Million pounds, 000,000 omitted]

PRODUCTION

	June			January to June, inclusive		
	1928	1927	Per cent change	1928	1927	Per cent change
Creamery butter.....	182	190	-4.6	764	788	-3.0
Farm butter.....	75	77	-1.9	294	298	-1.3
Total butter.....	257	267	-3.8	1,059	1,087	-2.5
Cheese.....	58	59	-0.6	207	203	+1.6
Condensed and evaporated milk.....	269	279	-3.7	1,061	1,095	-3.1
Total milk equivalent.....	6,671	6,917	-3.6	26,970	27,608	-2.3

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Butter.....	200	203	-2.0	1,020	1,035	-2.0
Cheese.....	49	50	-1.0	241	247	-1.6
Condensed and evaporated milk.....	184	187	-3.0	888	910	-2.3
Total milk equivalent.....	5,100	5,238	-2.2	25,900	26,495	-2.2

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THE DAIRY SITUATION

It is not usual for prices of dairy products to show much change during this particular season of the year, since heavier production prevents any marked advances, and demand for storing on the other hand prevents declines which might otherwise occur. While this has been generally true for 1928, it does not apply fully, and certain current conditions are worthy of note.

Butter markets offer perhaps the best example of following the usual seasonal trend, but it is important to note that butter prices

are at a level some 3 cents higher than a year ago and that the same condition mentioned in May and again in June has continued, namely, the highest monthly averages since 1920. Current butter price levels would indicate that those operators who earlier in the season talked 44 cents (92-score at New York) as the probable low level for the summer were correct. With the passing of July prices ordinarily begin a slight upward tendency, breaking from this only in a year such as 1924 when there was a prolonged period of cool summer weather and good pastures which were most favorable for a heavy late summer production. Under ordinary conditions, therefore, and particularly in view of this year's lighter production, butter prices might be expected to go no lower than they have.

What has been said of butter markets, however, does not apply to cheese, for the past two months have been marked by rather unusual changes. These markets tightened up in May, and prices shot up to a point which at the time looked high as May and June prices in previous years were noted. The sharp advances were not supported, and the result was a top-heavy market, with prices now almost back again to the same level they were on June 1. Demand for storing is an important factor in cheese markets at this time, and trading simply would not stand the pressure of higher costs. Lower prices were, therefore, inevitable.

Lighter dairy production this year is of course the important influence making for all of the above-mentioned conditions. The estimate of June butter production recently released indicates a reduction of 4.6 per cent under June, 1927, making the reduction for the first six months of the year 3 per cent under the same period in 1927. Incidentally, this amounts to approximately 26,000,000 pounds. In this connection it may also be said that on July 1 there was a shortage in storage stocks of butter of some 20,000,000 pounds as compared with last year the same date, and while this will likely be somewhat reduced by August 1 on account of a fairly active into-storage movement during July, there is obviously less domestic butter available this season than last.

Cheese production is just about holding its own compared with a year ago, but condensed and evaporated milk both are lower by about 3 per cent. The amount of American cheese in storage on July 1 was 3,500,000 pounds heavier than last year, and total stocks of 53,600,000 pounds were the highest on record for that date except in 1926. For the most part cheese stocks have not been the cause of concern, although, as previously noted, cheese markets during the past two months have not shared in the same firmness that has featured butter markets.

Condensed-milk stocks on July 1 had reached quite a substantial total in the light of previous years, but they are not said to be regarded as burdensome. There is usually an increase in these stocks during June of approximately 50,000,000 pounds, but this year the increase was 85,000,000 pounds. Unsold stocks were 11 per cent heavier on July 1 than a year ago, but with production continuing to run lighter these facts lose some of their significance. Thus, while it is possible to point to an occasional condition which would seem to have some depressing influence, the general dairy situation is not responding to these, but retains a fairly strong position.

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THE EGG AND POULTRY SITUATION

The storage deal continued to be the center of interest in the egg market situation during July. Accumulations in storage have continued, but, as expected, in July the rate has been slow, and for all practical purposes the peak of holdings has been reached. Holdings on July 1 were reported as 9,998,000 cases. This was a shortage of 567,000 cases from a year earlier. It is significant that on June 1 the shortage, compared with the previous June was nearly 800,000 cases. The release of the storage report, showing larger holdings than generally expected, had some tendency to ease the firmness of the market, but at no time was the situation less than steady. Such reports as are available indicate that storing activity during the month has been somewhat heavier than last year, and there are good reasons to conclude that the comparative shortage will show still further reduction when the report for August 1 is issued.

As a whole, the storage deal does not appear more than steady at this writing toward the close of July. It is true that holdings are considerably less than a year ago, and probably will remain so in August. But it is also true that the present level is well above the five-year average, and last year holdings were abnormally large. A very important consideration is the price level at which eggs have been stored this year. A large part of the holdings now in the warehouses were stored at prices ranging from 5 to 6 cents above last year's prices. Throughout July prices have generally held to this margin. The successful outcome of the storage operations hinges upon the reaction of consumer demand to the higher price level which will be necessary to clear storage reserves at a profit, or even at prices which will prevent loss. Time alone can tell what these developments will be, although there has been some indication already that consumption is not up to last year's mark.

The immediate situation continues firm. Fine qualities, especially, are in short supply and prices show a tendency to advance. As a general thing the hot weather has had considerable effect upon quality as well as upon volume of production. In many cases premiums can be obtained for the better goods, although at the same time country costs are often so high as to practically force storing. Receipts during July exceeded the previous year for the most part, although toward the close the periods of hot weather coupled with the natural tendency for seasonal decreases tended to reduce arrivals and to add some firmness to the spot market.

There is little that is new in the frozen-egg situation. Storage stocks on July 1 were reported as 77,690,000 pounds, a shortage of 3,573,000 pounds from July 1, 1927. This is almost identically the shortage which was reported on June 1. Part of this shortage may be accounted for by the fact that shipments to this country from China have not equaled those of last year up to this time, and part is due to the general shortage in egg production as indicated by receipts of shell eggs.

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PRICES PAID BY FARMERS

Index numbers of prices paid by farmers for what they buy have been constructed by the Bureau of Agricultural Economics, United States Department of Agriculture. These indices show changes in prices since 1910 of commodities purchased by farmers for the family living and for operating the farm. They are constructed with the same base period and as nearly as possible in the same manner as the indices of prices received for farm products.¹ The ratio of the index number of prices received for products sold to the index number of prices paid for commodities farmers purchase will hereafter be used instead of the ratio of farm prices to nonagricultural wholesale prices as a measure of the purchasing power of farm products.

Users of these index numbers of farm prices and of prices paid by farmers are cautioned against their misinterpretation and misuse. These price index numbers do not measure changes in farm receipts or in farm expenses, and the ratio of prices farmers receive to prices paid for purchases is not a measure of the purchasing power of the farmer. These index numbers do not take into account any variations in the quantities of crops sold or quantities of goods purchased. Furthermore, the prices used in constructing these index numbers do not represent all sources of receipts or all varieties of expenditures. The income from farming is spent not only for commodities purchased for the family living and for operating the farm but also for interest on mortgages and loans, rents, railroad fares, and other items which are not represented by these index numbers. Strictly speaking, the ratio of the index number of prices received for farm products to the index number of prices paid for commodities purchased merely represents the power of a fixed quantity of selected farm products to purchase a fixed quantity of goods in relation to the base period.

The prices used in constructing the index numbers of prices paid have been obtained by the Department of Agriculture from its price correspondents annually, 1910 to 1922, and quarterly since then. Prior to 1927 prices were obtained for approximately 100 commodities—beginning with 1927, about 175 commodities. Prices have been weighted by estimates of quantities purchased for the average farm in the period 1920-1925. The five-year average was used in every case for which there were satisfactory data for the entire period.

In comparison with the pre-war average, 1910-1914, the prices farmers pay for commodities they buy are slightly higher than the prices received for farm products. The prices paid for farm purchases (retail prices) as of the middle of March were about 155 per cent of pre-war average, while the prices received for farm products averaged about 137 per cent. The power of the given quantity of farm products to purchase a quantity of commodities for farm use was, therefore, about 89 per cent of pre-war. While prices farmers had to pay for purchases probably remained about the same as in March, farm prices rose to 148 in May and 145 in June, which would

¹ Both index numbers are to be continued on the 1910-1914 base period until it becomes evident that prices have established a post-war level with a degree of stability somewhat similar to that of the pre-war 1910-1914 period.

bring the purchasing power of these products up to about 95 and 93, respectively. This is the highest purchasing power attained by farm products since 1920.

It may be of interest to note also the power of farm products to purchase nonagricultural commodities at wholesale. The nonagricultural index number for June (old Bureau of Labor Statistics index brought up to date) was about 153 per cent of pre-war. This is nearly the same as the retail price index of farm purchases and gives only a slightly higher purchasing power to farm products—about 96 in June. While the price of commodities purchased by farmers has declined to nearly the same level as the prices of farm products, taxes and farm wages remain relatively higher. Farm wages in June averaged about 170 per cent of pre-war wages and farm taxes were about 250 per cent of pre-war.

Prices of commodities farmers purchase for use in production are lower than the prices of commodities used for living. Prices of all commodities used in production in March averaged about 145 per cent of pre-war, whereas prices of commodities used for living averaged 162 per cent. Furniture and furnishings at 209 per cent, clothing at 182 per cent, and building materials at 172 per cent are the principal items that contribute to the high cost of living on the farm. Food prices were about on a level with all commodity prices (operating expenses are relatively low). The expensive items used in production are building materials and seed. The price of farm machinery is close to the general price level, while feed and fertilizer prices are considerably below the general price level.

As noted above, wages for hired labor, an important factor in production, continue relatively high. Adding wages to the prices of commodities results in an index for these factors used in production above the general price level.

The purchasing power of farm products has been increasing in the past year on account of the increase in prices of farm products, while the prices of commodities purchased have remained about on a level. Prices received for farm products in June were 145 per cent of the pre-war level, as compared with 130 per cent in June last year. Prices paid by farmers for commodities in March of this year, on the other hand, were approximately the same as in June last year, which resulted in a rise in the purchasing power of farm products from 84 in June, 1927, to about 95 in May, 1928, the highest since 1920.

More details as to the construction of index numbers of prices farmers pay will be given in a mimeographed publication on this subject.

The index numbers of prices farmers pay for what they buy and the index number of taxes were constructed by Mr. C. M. Purves, Division of Statistical and Historical Research. The Division of Crop and Livestock Estimates, through Mr. F. C. Sarle, contributed most of the price data. The Division of Farm Management and Costs contributed most of the data as to commodities farmers buy for use in production. The Division of Rural Life contributed data as to quantities of goods purchased by farmers for family maintenance, and the Division of Farm Finance contributed to the construction of the index number of taxes.

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FACTORS AFFECTING THE YEARLY AVERAGE PRICE OF CRANBERRIES

An analysis of the f. o. b. shipping point prices of cranberries as reported by the American Cranberry Exchange, which handles nearly two-thirds of the crop, indicates that the yearly average price is very largely determined by the size of the United States crop. The size of the United States crop, together with two other factors, namely, the year-to-year variations in the general commodity price level and an annual growth in demand, almost completely determine the yearly f. o. b. price of cranberries.

This fact is illustrated in the accompanying chart. In the first is shown the average relationship between total production of cranberries and the average price adjusted for changes in the general commodity price level. The usual relationship is here evident; large crops bring low prices and small crops high prices (curve 1).

The differences between the prices for each of the years 1921-1927 and the price indicated by the average production-price curve are also shown in this chart (curve 2). It will be seen that during the first half of this period the yearly prices were below that indicated by the production-price curve and during the last half they have been above, these differences falling along a straight upward slanting line here labeled as the demand-growth curve.

This curve may be interpreted as indicating that for the same supply during each of these years consumers would have paid about 25 cents per barrel more in 1922 than in 1921 and 25 cents more in 1927 than in 1926. In other words, there appears to have been an increased demand for cranberries during the past seven years, amounting roughly to 25 cents each year, due partly to an increasing population and partly to other factors, such as advertising.

These two factors, the size of the crop and the growth in demand, thus account for practically all of the recent yearly variations in cranberry prices received by the growers' organization, exclusive of the effect of the general business or commodity price situation.

The fact that the total crop is the dominant price determining factor may also be illustrated by considering the total supply as made up of two parts, the sales handled by the exchange and the balance of the crop not sold through the exchange. When considered as separate price factors, their combined influences explain as much of the yearly price variations as does the total crop treated as a single factor alone, and an increase in the total supply, whether due to an increase in production controlled by the exchange or in the production of nonmembers, causes the same decrease in price, and a decrease in either the exchange or nonmember production causes the same increase in price.

That these factors satisfactorily explain the price of cranberries is illustrated in the third section of the chart. The dots on the solid line represent the actual prices (adjusted for the general commodity price level). The points on the dotted line represent the prices as estimated or computed from the relationship between the supply and demand factors and price (shown in curves 1 and 2). The closeness with which the computed and actual prices agree justifies the conclusion that the yearly price of cranberries received by the American Cranberry Exchange is very largely determined by—

1. The total volume of sales, exchange and nonexchange, these two constituting the total United States crop;

2. The annual growth in demand, due to a growing population and other causes; and

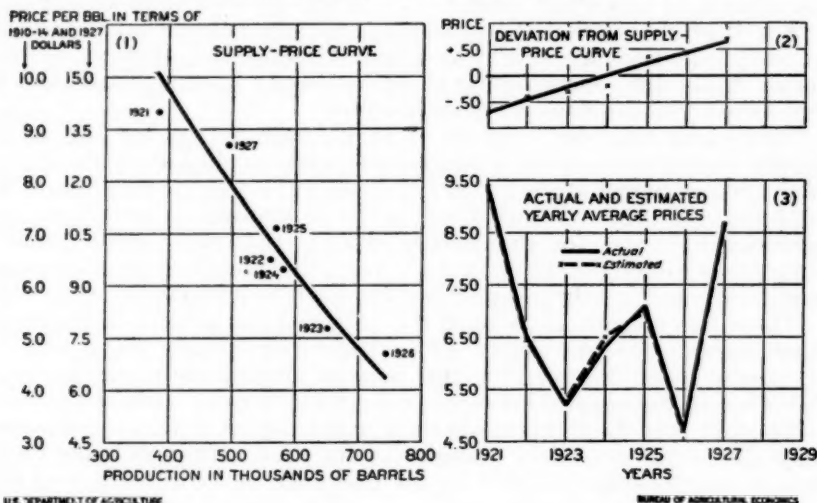
3. Yearly changes in the general commodity price level and in business conditions (as reflected in the Bureau of Labor index of commodity prices in general).

The first of these, the supply factors, are by far the most important causes of the wide fluctuations in cranberry prices.

The fact that the average prices of the past seven years can be so adequately explained by supply, growth in demand, the general level of commodity prices, and business conditions suggests that the effect of competitive products on the f. o. b. prices may have been very small during this period.

A similar analysis for pre-war years also indicates that the total crop and an upward trend in demand were the chief factors determining cranberry price variations. The yearly increase in demand

FACTORS AFFECTING THE YEARLY AVERAGE PRICE OF CRANBERRIES



before the war, 1907-1914, appears to have been somewhat smaller than in the period, 1921-1927.

The average relationship between the size of the crop and its value during the postwar period, as well as in the earlier years, is such that a large crop is worth less than a small one. For example, the large 1926 crop of nearly 750,000 barrels sold for approximately 5¼ million dollars, while the smaller 1927 crop of about 500,000 barrels sold for approximately 6½ million dollars. Even if the effect of the general commodity price level of business conditions and of the increasing demand is eliminated from these two values, the larger crop of 1926 would still show a smaller value than the smaller 1927 crop (5¼ million dollars, compared with about 6 million). This suggests that the demand for cranberries is relatively inelastic; that is, the annual domestic requirements are probably fairly constant, for a large crop can not be sold except by a considerable price inducement and small crops bring rather high prices.

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AMPLE FRUITS AND VEGETABLES IN PROSPECT

Apples promise now to be about midway between last year's light crop and the heavy crop of the year before. The estimated output of 33,000,000 barrels of market apples shows increases in all sections compared with last year, but of the 7,000,000 barrels gain over 2,000,000 are in the North Atlantic States and over 3,000,000 in the far West, while the northern Lakes region and the South show more moderate increases.

Perhaps the most important feature in the East is the expected gain of nearly 2,000,000 barrels in New York, together with a light set of the Baldwin, the leading variety. June drop in the East and scab in the South have made some trouble. Canada reports a good crop on the East and excellent crop prospects in the West. About the only light crops of fruit seem to be in the Central Southwestern States in the Kansas-Missouri and Oklahoma region.

LATE PEACH SUPPLY

The list of States shipping peaches heavily in August includes northern sections, Maryland, Delaware, New Jersey, Illinois, Colorado, and Utah and the majority of these, according to July reports, had crops fairly large but not so large as that of the southern producing region. The sections overlap in a late season and some of the August shipping sections will continue active in September. Actual market supplies from northern and eastern sections are heavier than indicated by the car-lot figures, owing to activity of the motor trucks in districts near the great markets. Otherwise, there should be a sharp decrease in the September movement, because of moderate crops expected in New York, Pennsylvania, New Jersey, Ohio, Michigan, Colorado, Utah, and other late-shipping districts.

The really excessive production of peaches seems to be in the early-shipping region, which reached its height in July, and in the Pacific canning region, which finds difficulty in adjusting supply to the factory demand. Close culling and grading have done much to relieve the situation in the Southeast.

HEAVY WESTERN PEAR AND GRAPE CROPS

Pears seem likely to be one of the big fruit crops this year in the United States and Canada. Estimated production is 5,000,000 bushels more than last season and 3,000,000 above the five-year average. But the heavier yields this season are mostly in the far West, where much of the crop goes to canneries. New York, the chief eastern producing section, has a crop below average. The eastern crop is moderate but quite large enough probably, in consideration of the severe competition to be expected from the liberal production of peaches and other fruits.

Grapes promise a still larger crop this year, with competition everywhere, with the big output of California. Liberal shipments of California grapes, also apples and pears, are reaching eastern markets.

In general, it is a year of good fruit prospects so far, but not so large as to be discouraging to producers if demand and export trade prove favorable.

AMPLE POTATO CROP

The overloaded condition of the summer potato market resulted from lateness and overlapping rather than from the increase of only about a million bushels in estimated production of the mid-season shipping group. The latter comprises North Carolina, Virginia, and the section from Maryland and New Jersey west to Kansas and Oklahoma, besides districts of the Rocky Mountain region shipping in August.

Most of the eastern sections show increases over last season, but a few States in the Central Southwest show decreases. Damage from continued July rains was reported in New Jersey, and the early-shipping sections of Minnesota show only moderate yield. This situation may result in some relief to the market after the rush of the Eastern Shore movement. That section, with its large yield of excellent quality, has been flooding the markets East and West during July. Prices at one time were as low as \$1 per barrel in producing sections and the direction of price changes in July was mostly downward.

Shipments of new potatoes this season have been only a thousand cars or so in excess of last season, but midsummer prices have fallen below cost of production, because of persistent shipments of old potatoes and the heavy new crop supplies crowded into a few weeks of the market season.

Potato shipments in August are often only about half from the early-shipping States. Nearly the whole of the potato region is ready to begin by the end of the month and does so when the price is fairly attractive. This season there are plenty of early potatoes for the first part of the month, including what is left in the South and in the Eastern Shore region, much of the Kansas and Missouri production, also the usual local California shipments of about 1,000 cars and more than that from early sections of Minnesota and the Rocky Mountain region. Long Island's early potatoes will be ready and the general list from Maine to the Pacific would be glad to dig some potatoes early. There is little chance of a gap between early and late potatoes, unless the crop meets trouble somewhere, enough to encourage late-shipping sections to wait for better markets.

Heavy production is anticipated in all the important producing sections. Total acreage of potatoes in the United States was estimated in July as 9 per cent greater than last year, and the crop, according to prevailing conditions, may amount to 444,000,000 bushels, or 37,000,000 more than in 1927 and only 9,000,000 less than the highest previous record established in 1922. Important increases in the main crop were mostly in the East and the North Central States. Compared with other July estimates, it is the heaviest since 1917. Experience shows, however, that the July figures are just about as likely to decrease as to increase in the final estimate. Several of the lightest crops on record, as in 1916 and 1919, promised fairly well in July. The crop was reported generally doing well at the end of July, except in some local areas where the soil was too wet. The Canadian potato crop shows a small gain in acreage and fair to good crop condition in the eastern Provinces.

FEWER SWEET POTATOES

Sweet potatoes should find a better market than the white kind this season, owing to lighter acreage and production in the cotton region and only about average expectations for the northern part of the sweet potato section, except New Jersey and Virginia. The total decrease from last year's figures is placed at 18,600,000 bushels. Heavy production of white potatoes may tend to hold down the market, although the two kinds of potatoes show more or less independence in market action.

ONIONS VARIABLE

The mid-season and late onion crop swings into line during August. Some increase in production appears in July reports, showing over 2,000,000 bushels in half a dozen mid-season States, compared with 1,650,000 in 1927. Most of the increases are in southern Texas and Kentucky, with some gains in New Jersey and Iowa. The persistent summer shipments from Texas limited the market for early eastern yellow stock, which has been selling at 75 cents to \$1.25 per bushel. The late crop shows variable conditions. A large output of good quality is expected in Iowa, starting to market in late July. Ohio onions are late, with poor to good condition and some maggot injury. New York reports loss of considerable acreage in the lowlands and a light crop in some districts, with reduced proportion of set onions.

CABBAGE PRICES LOW

Early cabbage has been selling low, with New Jersey stock going at the rate of \$1 to \$1.50 per barrel in New York. Acreage of late cabbage is more moderate this season. The start of the crop was rather poor. Early July condition was about the average and not so good as that of a year ago, but some sections reported good prospects later in the month.

ACTIVE CANNING SEASON EXPECTED

Heavy production in some lines of fruit and vegetables will be partly relieved by renewed activity of the canning business. A general upturn in that industry not only consumes great quantities of produce grown for the purpose but affords more or less of a market for the surplus not intended for canning but unable to find an outlet elsewhere. Crops grown for canning, including the leadings ones—sweet corn, tomatoes, and snap beans—showed about average condition on July 1, and much favorable growing weather was reported later in the month.

Many States increased their acreage of canning corn, making a total gain of over one-third or some 80,000 acres, which is fully up to the average of recent years and suggests full recovery in that line of canning. Most of the 15 leading States show gains in this crop, of which about five-sixths is produced in the States of Illinois, Iowa, Indiana, Ohio, Minnesota, Maryland, and New York.

Tomato acreage for canning is about the same as last season, which means lighter than in other recent seasons. Gains are greatest in Indiana, New Jersey, Arkansas, Tennessee, and Kentucky, and the decreases greatest in Maryland and California.

MELONS ACTIVE

Shipments of watermelons increased to over 1,000 cars a day in late July, but prevailing weather was too wet for best conditions at leading eastern shipping points and prices became unsettled, having been fairly satisfactory to producers the first half of the season. Production in seven early States outside of Florida and Imperial Valley is estimated at 38,770 cars, compared with 36,110 last season. Georgia expects nearly 20,000 cars, or 2,000 more than in 1927. South Carolina has a big crop of 6,000 carloads, but Texas is reduced to 7,700 cars. The increase of nearly 6,000 acres in Missouri is the feature of the acreage report in the late-shipping States. Other changes are comparatively slight and production according to acreage would be hardly more than average in this region. Rainfall has been excessive in the Missouri melon district.

BEANS BELOW AVERAGE

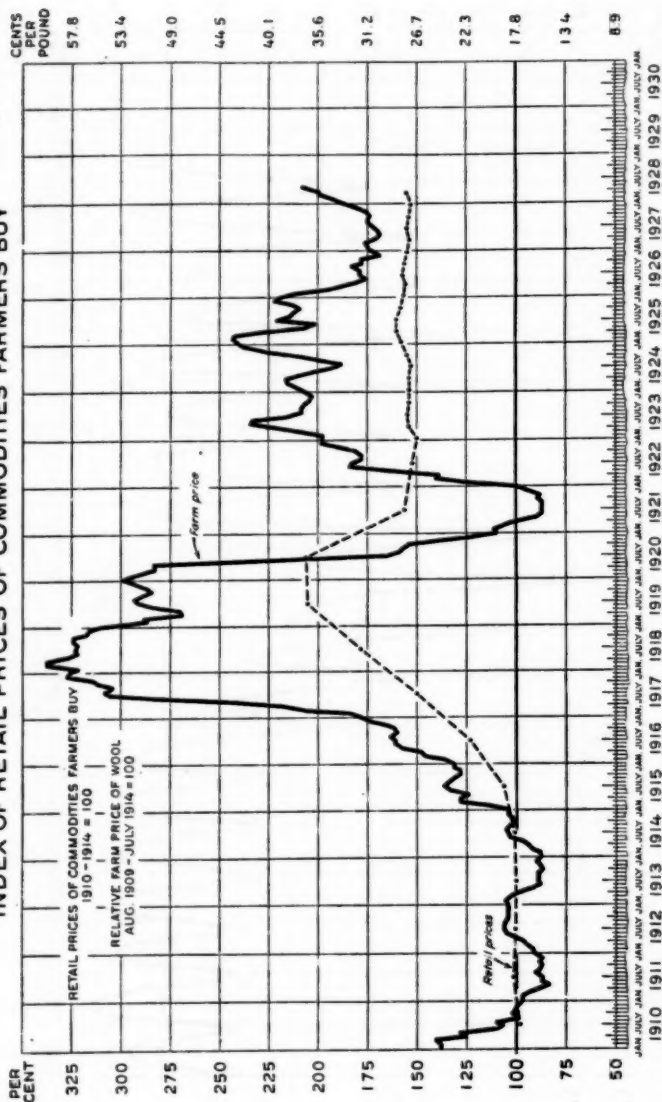
Field beans may turn out a good market crop. Although the acreage has been increased 7 per cent, production is estimated now as likely to fall below the five-year average. Last season's crop was also very moderate and it seems evident not much stock was carried over. July condition of the bean crop in the two principal eastern producing States, New York and Michigan, was only about 68 per cent. Current estimates would give less than a million bushels in New York, below 6,000,000 in Michigan, between 5,000,000 and 6,000,000 in the Rocky Mountain region, and under 4,000,000 in California.

SMALLER SUGAR-BEET ACREAGE

The sugar-beet crop of the United States on 7 per cent smaller acreage shows condition not quite so good as in midsummer, 1927, although it is about equal to the 10-year average. Figures would indicate production of about 879,000 tons, compared with 1,093,000 made from last year's crop. Since the date of the estimate growing conditions have been reported favorable in leading States. Any reduction in American beet-sugar output would be partly offset by gains in Louisiana cane-sugar production, which is expected to increase to 175,000 tons compared with 71,000 last year. The situation is affected also by the estimated 4 per cent larger beet acreage in Europe.

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FARM PRICES OF WOOL AND INDEX OF RETAIL PRICES OF COMMODITIES FARMERS BUY



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

Wool prices recovered quickly from the general price slump in 1920 and have been sufficiently high ever since to stimulate the sheep industry. An item of significance is the rise in price since last fall. The wool grower's product has been in an advantageous exchange position for other commodities most of the time since 1914.